

Alturais Indian Rancheria

**Indirect Cost Rate Proposal
to the
United States Department of the Interior**

**For the period of January 1, 2012 through
December 31, 2012**

**ALTURAS INDIAN RANCHERIA
INDIRECT COST RATE PROPOSAL
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YEAR ENDING DECEMBER 31, 2012**

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INTRODUCTION

The Alturas Indian Rancheria is a small Tribe located in near Alturas, California. The estimated enrollment is less than 15. The Rancheria controls about 20 acres of reservation land. The annual expenditures for the Tribe have not always been sufficient (\$500,000 per year in federal expenditures) to require the submission of an OMB Circular A-133 Single Audit Report. Indirect cost agreements have not been negotiated in past years. The Tribe desires to negotiate rates starting with 2012.

This fiscal year (FY) 2012 proposal is based upon budgeted costs for all programs administered by Alturas Indian Rancheria during the period January 1, 2012 through December 31, 2012. All Federal, State, and Native American programs have been included in the proposal.

The individual to contact in regard to this proposal is:

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Or

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INDIRECT COST PROPOSAL (ICP) CHECKLIST (INDIAN TRIBAL GOVERNMENTS)

- | | |
|--|----------------------|
| <input checked="" type="checkbox"/> 1. Contact person information: <ul style="list-style-type: none">○ Entity Name and mailing address○ Employer Identification Number (EIN)○ Point-of-Contact Name and position title○ Email address (very important)○ Phone & fax numbers○ Entity's Internet website address | Page # <u>1</u> |
| <input checked="" type="checkbox"/> 2. Signed Certificate of Indirect Costs (original required). | Page # <u>4</u> |
| <input type="checkbox"/> 3. Applicable audited financial statements that meet the requirements of the Single Audit Act of 1984, Public Law 98-502, as amended. If Entity is under the A-133 threshold (\$500,000) and does not have an audit, then an Accountant's Report and a copy of the general ledger is <u>required</u> . | Page # <u>Budget</u> |
| <input checked="" type="checkbox"/> 4. Description of Accounting System. | Page # <u>5</u> |
| <input checked="" type="checkbox"/> 5. Entity's written policy for allocating and identifying direct and indirect costs, i.e. Policy Statement on Direct versus Indirect Costs | Page # <u>6</u> |
| <input checked="" type="checkbox"/> 6. Organization Chart. | Page # <u>7</u> |
| <input checked="" type="checkbox"/> 7. Indirect Cost Personnel Justifications for all positions listed in the pool. | Page # <u>8</u> |
| <input checked="" type="checkbox"/> 8. Type of Rate and Fiscal Period(s) covered by the proposal. | Page # <u>9</u> |
| <input checked="" type="checkbox"/> 9. Description of the Base used in the Rate Computation. | Page # <u>9</u> |
| <input checked="" type="checkbox"/> 10. Rate Computation, use the Exhibit most applicable to the type of rate requested. | Page # <u>10</u> |
| <input type="checkbox"/> 11. Carryforward Computation (required for 3rd year or later). | Page # <u>11</u> |
| <input checked="" type="checkbox"/> 12. Direct Cost Base detailed to include all activities that benefit from the indirect cost pool. Must include the following: <ul style="list-style-type: none">○ all programs (grouped by funding agency) with Federal programs listed on top;○ total expenditures (reconcilable to the audit if using actual numbers); and○ all exclusions; including all indirect cost collections/recovered. | Page # <u>12-15</u> |

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- ☐ 13. Indirect Cost Collections/Recovered must be reconcilable to the financial statements. If Indirect Cost Collections cannot be traced to the financial statements, the Entity must provide one of the following to support these numbers: Page # 19
- a copy of the audited general ledger showing the grand total for the indirect cost collections,
 - documents from the funding agency, or
 - a letter from the CPA who performed the audit.
- ☒ 14. Indirect Cost Pool detailed to include a breakdown of Page # 16
- indirect salaries by position title, amount, and indirect percentage, and
 - all other indirect costs by line item.
- ☐ 15. Reconciliation of Audited Financial Statement Costs to Indirect Cost Proposal, applicable to 3rd year or later (unless audited costs are used). Page # 18
- ☐ 16. Depreciation schedule if depreciation is included as indirect costs. Page # N/A

PLEASE EXPLAIN ANY BOXES NOT CHECKED ON A SEPARATE SHEET.

CERTIFICATE OF INDIRECT COSTS

This is to certify that I have reviewed the indirect cost proposal submitted herewith and that to the best of my knowledge and belief:

1. All costs included in this proposal to establish a fixed indirect cost rate for the period January 1, 2012 to December 31, 2012 are allowable in accordance with the requirements of the Federal agreement(s) to which they apply and the cost principles applicable to those agreements, including OMB Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments."
2. This proposal does not include any costs that are not allowable under applicable cost principles, such as (without limitation): Advertising and public relations costs, entertainment costs, fines and penalties, lobbying costs, and defense and prosecution of criminal and civil proceedings.
3. Any costs excluded from this proposal, such as Tribal enterprises, gaming operations, and Tribal schools and programs, including all or portions of the general fund, are separately administered and do not benefit from Tribal administration included in the indirect cost pool.
4. All costs included in this proposal are properly allocable to Federal agreements on the basis of a beneficial or causal relationship between the expenses incurred and the agreement(s) to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently.

I declare under penalty of perjury that the foregoing is true and correct.

Signature

Phillip Del Rosa
Printed Name

Tribal Chairperson
Title

Alturas Indian Rancheria
Name of Organization

Date Signed

ACCOUNTING SYSTEM DESCRIPTION

The Alturas Indian Rancheria has a double entry, modified accrual system of accounting. Separate journals and ledgers are maintained for each individual program and funding agency (not program) for 2012 in the direct cost base.

The indirect cost pool expenditures are recorded as part of the general fund. The pool reported in this proposal is determined by reviewing the general ledger to identify transactions properly included in the pool.

A substantial portion of the Rancheria's revenue is derived from restricted grants and contracts. Revenue is recognized when costs that conform to the specifications of the grant program are incurred. Restricted funds received in excess of costs incurred are reported as deferred revenue until such costs are incurred. To the extent costs are incurred in excess of restricted funds received, the revenue and related receivables are recognized.

The accounting system uses Quicken accounting software.

POLICY STATEMENT ON DIRECT VS INDIRECT COSTS

Direct costs consist of those costs that can be readily identified as a direct contract, grant, or program cost and addressed as benefiting a particular cost objective.

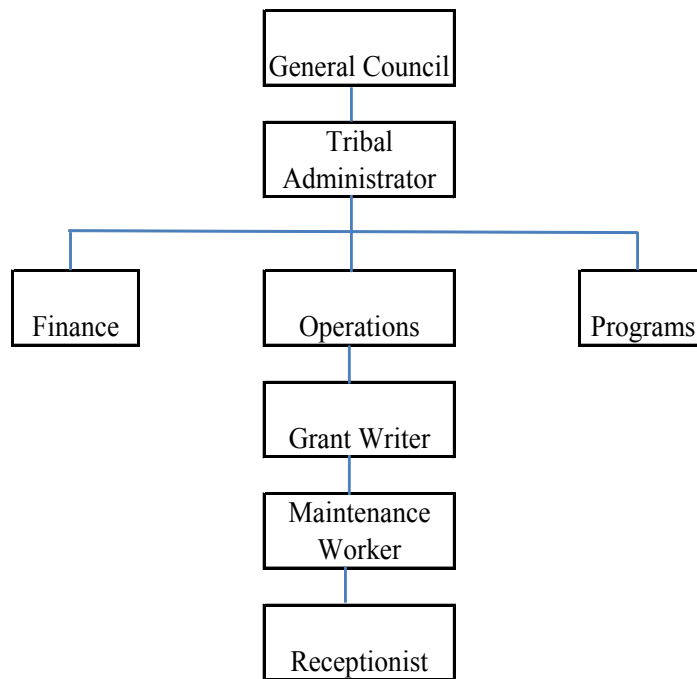
The following indirect costs incurred for the operation of the administration of the Alturas Indian Rancheria have been classified as indirect costs in accordance with the standards for indirect costs as described in Circular A-87 issued by the Office of Management and Budget. For reasons itemized below, these costs have been determined to comply with the above stated criteria and are therefore to be consistently charged as indirect costs within the funding formulas determined by the cognizant agencies. All items listed below have been determined to benefit more than one cost objective and are not readily allocable to benefiting contracts, grants, and programs.

1. Salaries paid to the administrative staff of the Alturas Indian Rancheria.
2. Fringe benefits, including payroll taxes for the administrative staff (FICA and Medicare); State Unemployment Insurance and Workers' Compensation Insurance. In addition, health insurance (medical, dental, vision) for administrative staff (employee and family) and a 401(K) retirement plan contribution for the Tribe's match.
3. Travel, including meals, lodging, and transportation costs for indirect personnel conducting Tribal business that is of an indirect nature (i.e., the benefit is not directly related to one program, but instead benefits many programs). Per-diem follows the guidelines established for the Federal Government by the General Services Administration.
4. Insurance (if any) costs for the general umbrella policy (property and liability) are recorded in the indirect cost pool.
5. Supplies, including office supplies used that cannot be specifically identified with a particular contract, grant, or program.
6. Communications including telephone, cellular phones, and internet for the Rancheria's administration offices are included in the pool only for administrative staff.
7. Utilities (Electricity, Water, Garbage, and other) for the Rancheria's administration building including contract and grant programs.
8. Professional fees, attorney fees not identified to a specific contract, grant or program, audit fees, and fees for the preparation of the indirect cost proposal.
9. Facility costs including repairs, maintenance, rent, utilities, janitorial services, etc. necessary to maintain and operate the office space occupied by the indirect cost pool staff.

Other indirect costs may be included in the administration of the indirect cost pool. Costs included in the indirect cost pool may not be limited to the above list; however, they are the only such costs foreseen at this time. Each cost is examined for compliance with prescribed criteria before being classified as an indirect cost.

ORGANIZATIONAL CHART

Alturas Indian Rancheria
Organization Chart



INDIRECT COST PERSONNEL JUSTIFICATIONS

In determining the allowable share of the Alturas Indian Rancheria 's costs identified with administering programs, the Fiscal Director reviewed time and attendance records, and minutes of the Tribal Council meetings. Support of salaries and wages for personnel services of employees working on multiple activities or objectives is in compliance with OMB Circular A-87, Attachment B, section 11.h. and is part of the annual single audit or annual reviewed statement review process. If substitute systems are used, they have been approved by the cognizant Federal agency prior to use.

The following account of each position should provide the necessary justification to fund administrative costs through the indirect cost pool for fiscal year 2012.

Tribal Council: Tribal Council is charged to the indirect cost pool at 50% for all costs related to their role as the governing body of the Tribe.

Tribal Administrator: The Tribal Administrator is responsible for the general administration of the daily operations of the Rancheria; implementing the directives of the Tribal Council; oversight of all Federal programs; and management of all Rancheria employees. In the absence of the Tribal Chairperson or other Tribal Officer, the Administrator will be the chief representative of the Tribe to Federal agencies. In addition, the Tribal Administrator develops funding proposals and drafts policies, ordinances and resolutions at the direction of the Tribal Council.

Grant Writer: This position writes all grant applications for the new and existing programs for the Tribe. The responsibilities include reviewing demographic or other data necessary for preparing the application, completing the entire application process including writing/preparing the application, monitoring progress, working the the agency to resolve open items, and review the award document when notified by the agency.

Secretary/Receptionist: This position provides administrative support and Receptionist for the tribal office. The position performs routine office procedures such as typing, filing, office mail, telephone answering and forwarding calls to appropriate personnel, and set up and confirmation of appointments and meetings.

Maintenance Worker: This position is responsible for repairs and maintenance to all office equipment, computers, office space and grounds. This position manages all utilities and contracts with the various utility companies for services

TYPE OF RATE AND FISCAL PERIOD

We are requesting to negotiate the following indirect cost rate(s) (check type of rate and provide the fiscal period). Include applicable Exhibit for type of rate selected.

Type

- ☐ (a) Fixed Carryforward Rate for the fiscal year ending _____
(for First and/or Second year only)
- ☒ (b) Fixed Carryforward Rate for the fiscal year ending December 31, 2012
(for Third year or later)
- ☐ (c) Final Rate for the fiscal year ending _____
- ☐ (d) Provisional Rate for the fiscal year ending _____
(for First and/or Second year only)
- ☐ (e) Provisional Rate (for Third year or later) for the fiscal year ending _____
based on the same Final Indirect Cost Rate above. (A separate proposal is not necessary.)
- ☐ (f) Provisional Rate (for Third year or later) for the fiscal year(s) ending _____
based on budget estimates. (A separate proposal and/or separate Exhibits are provided.)

DESCRIPTION OF THE BASE USED IN THE RATE COMPUTATION

Please Note

- | | |
|---|---|
| <input type="checkbox"/> Base -- Direct Salaries and Wages, <u>excluding</u> fringe benefits | These are typical examples of the distribution bases used to calculate Indirect Cost Rates. |
| <input type="checkbox"/> Base -- Direct Salaries and Wages, <u>including</u> fringe benefits | Please select the one that provides the most equitable distribution |
| <input type="checkbox"/> Base -- Total Direct Costs, less capital expenditures and passthrough funds | Only select the method used by your organization |
| <input checked="" type="checkbox"/> Base -- Total Direct Costs, less capital expenditures, passthrough funds and excludable costs | Do not change the distribution base without prior approval from the oversight Federal agency. |

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CALCULATION OF INDIRECT COST RATE

	FY 2012 Proposed Costs Based on Annualized Costs
	<u> </u>
Indirect Cost Rate (A / B)	<u>68.99%</u>
Indirect Costs	410,720
1st year - no carryforward	0
A: Indirect Cost Pool	<u>410,720</u>
B: Direct Cost Base	<u>595,353</u>

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PROPOSED 2012 DIRECT COST BASE

Programs by Funding Agency	FY 2012 Proposed Expenditures	Exclusions					Proposed Direct Cost Base
		Capital Equipment	Other	Indirect Cost Pool	Contract Services	Assistance	
FEDERAL PROGRAMS							
Department of Interior:							
Bureau of Indian Affairs (93-638)-							
Consolidated Tribal Program	595,353	-	-	-	-	-	595,353
Subtotal Interior	595,353	-	-	-	-	-	595,353
Department of Transportation							
Transportation	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-
Subtotal Federal and State Programs							
	595,353	-	-	-	-	-	595,353
TRIBAL PROGRAMS							
General Fund	740,000	-	-	-	740,000	-	-
Indirect Cost Pool	410,720	-	-	410,720	-	-	-
Subtotal Tribal Programs	1,150,720	-	-	410,720	740,000	-	-
Total Direct Costs	1,746,073	-	-	410,720	740,000	-	595,353

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PROPOSED 2012 INDIRECT COST POOL

<u>Title/Description</u>	<u>Budgeted FY 2012 Expenditures</u>	<u>Direct Costs</u>	<u>Budgeted FY 2012 Indirect Pool</u>
SALARIES			
Tribal administrator	\$ 180,000		\$ 180,000
Grant Writer	36,000		36,000
Maintenance Worker	14,600		14,600
Secretary/Receptionist	14,600		14,600
Tribal Council (3)	14,400	7,200	7,200
	<u>\$ 259,600</u>		<u>\$ 252,400</u>
			<u>Budgeted FY 2012 Indirect Pool</u>
OTHER INDIRECT			
Fringe benefits and payroll taxes on above salaries			\$ 46,120
Council Health Care @ 50%			20,000
Computer Equipment & Software			20,000
Insurance			-
Maintenance Equipment			5,000
Maintenance & Repairs			6,000
Postage & Mailings			1,200
Professional Fees			45,000
Utilities, communication services			10,000
Supplies			5,000
			<u>158,320</u>
TOTAL INDIRECT EXPENDITURES			<u><u>\$ 410,720</u></u>

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SUPPORT INFORMATION FOR INDIRECT COST POOL

	Budgeted FY 2012 Indirect Pool
Professional Fees	
Accounting Fees	\$ 4,000
Audit and Indirect Cost Proposal Fees	31,000
Legal Fees	10,000
	<u>\$ 45,000</u>

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RECONCILIATION OF AUDITED FINANCIAL STATEMENT TO INDIRECT COST PROPOSAL

Costs per Audited Financial Statements:		<u>Page Reference</u>
Tribal Programs	\$ 1,528,738	Page 13 of Indirect Cost Proposal
Special Revenue Funds	2,018,398	Page 13 of Indirect Cost Proposal
Total Costs to be Accounted For	<u>3,547,136</u>	
Costs Per Indirect Cost Proposal (Actual):		
Direct Cost Base	1,184,678	Page 13 of Indirect Cost Proposal
Indirect Costs	256,281	Page 16 of Indirect Cost Proposal
Subtotal	<u>1,440,959</u>	
Add Costs Excluded From the Proposal		
Capital Equipment	1,516,037	Page 6 of 2006 Audit Report
Per Capita Payments	332,328	Page 6 of 2006 Audit Report
Unallowable Costs	1,531	Page 6 of 2006 Audit Report
Indirect Cost Expenditures	256,281	Page 6 of 2006 Audit Report
Total Exclusions	<u>2,106,177</u>	
Total Costs Accounted For	3,547,136	
Difference	\$ <u>0</u>	

2012 INDIRECT COST POOL BUDGET

		<u>IDC Pool</u>
Administrator- FTE		180,000.00
Grant Writer -PTE		36,000.00
Maintenance Worker-PTE		14,600.00
Secretary/Receptionist-FTE		14,600.00
Fringe Benefits @ 20%		46,120.00
Tribal Council Health Care	50% allowed in IDC Pool	20,000.00
Tribal Council Meeting Stipends	50% allowed in IDC Pool	7,200.00
Economic Development Consultant		
Legal Consultation & Policy Development	estimated	10,000.00
Office Expense		5,000.00
Computer Equipment/Software		10,000.00
Office Equipment		10,000.00
Maintenance Equipment		5,000.00
Utilities		4,000.00
Operations/Maintenance		6,000.00
Travel		
Training		
Indirect Cost Rate Consultant		6,000.00
Audit Fee		25,000.00
Telephone		6,000.00
Postage		1,200.00
Accountant	contract	4,000.00
Tuition/Books/Tools		
 Total		 <u><u>410,720.00</u></u>